

STAFFORD COUNTY SCHOOL BOARD

Agenda Consideration

TOPIC: Renewal of Contract:
Lockers - Bid #827012

ITEM NO: 81

PREPARED BY: Andre A. Nougaret 
Assistant Superintendent
for Support Services

MEETING: March 9, 2004
ACTION DATE: March 9, 2004

Brent A. Thomas
Senior Project Manager

ACTION REQUESTED BY THE SUPERINTENDENT: Approve renewal of the one year contract with J. H. Pence Company for purchases of heavy-duty corridor and athletic lockers at unit prices shown on the attached list.

KEY POINTS:

1. J. H. Pence Company was contracted initially in 2001 on an annual basis with provision for renewing the contract in one year increments up to a maximum of three (3) years. We are in the final year of this contract and J.H. Pence has agreed to extend the contract at prices per the attached list. (These prices reflect an increase of approximately 5%.)
2. The renewal cost does not include the additional steel surcharge cost currently being imposed by steel suppliers. The surcharge cost will be applied to future orders based on the price of steel at the time the order is placed. The vendor will include the necessary paperwork to Stafford County Public Schools to justify the cost of the steel surcharge.
3. The approved bid list is used for purchases of lockers for new schools, additions to existing schools, and for replacement lockers at other schools.

SCHOOL BOARD GOAL: Goal #5 - Provide Facilities that Promote Student Learning
and Community Support

FUNDING SOURCE: Construction or School Operating Funds as needed

AUTHORIZATION REFERENCE: Stafford County School Board Policy 4-29
Bid #827012

**LOCKERS FOR FUTURE PURCHASES
FROM APPROVED BID LIST**

VENDOR: J. H. Pence Company DESCRIPTION: HEAVY-DUTY CORRIDOR LOCKERS		PRICE/LOCKER (Door Opening) Qty. 24- 100	PRICE/LOCKER (Door Opening) Qty. 101-200	PRICE/LOCKER (Door Opening) Qty. 201 +
1.	Furnish and install single tier lockers as described in Part II, 2.2, A.5.1 (15"wide x 15"deep x 72" high).	\$165.25	\$136.25	\$130.50
2.	Furnish and install double tier lockers as described in Part II, 2.2, A.5.2 (15"wide x 15"deep x 36" door opening height).	\$94.25	\$78.25	\$76.00
3.	Furnish and install double tier lockers on closed bases as described in Part II, 2.2, A.5.11 (12"wide x 12"deep x 36" opening height).	\$89.00	\$73.00	\$68.50
HEAVY-DUTY ATHLETIC LOCKERS		Qty. 24 - 100	Qty. 101-200	Qty. 201 +
4.	Furnish and install single tier lockers as described in Part II, 2.3, A.5.1 (15"wide x 15"deep x 72"high)	\$201.50	\$165.10	\$159.85
5.	Furnish and install double tier lockers as described in Part II, 2.3, A.5.2 (15"wide x 15"deep x 36" door opening height).	\$117.00	\$98.50	\$93.25
6.	Furnish and install double tier lockers as described in Part II, 2.3, A.5.3 (15"wide x 15"deep x 36" door opening height).	\$114.50	\$97.50	\$92.20
7.	Furnish and install four tier lockers as described in Part II, 2.3, A.5.5 (12"wide x 15"deep x 18" door opening height).	\$50.20	\$41.60	\$39.70
8.	Furnish and install six tier lockers as described in Part II, 2.3, A.5.7 (12"wide x 15"deep x 12" door opening height).	\$37.00	\$30.85	\$29.45

lotus123Rel5buylockr.wk4 a69 e108

**NOTE: Fillers and mitered corners are not included in these prices.
Steel surcharge is not included.**

REPUBLIC
STORAGE SYSTEMS COMPANY

received
02/18/04

Mr. Carl Hawkins
J. H. Pence Company
Midlothian, VA. 23112

2/10/04

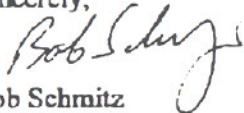
REFERENCE: STAFFORD COUNTY BID

Dear Carl;

I am sending this letter as a follow up to our conversation regarding the pricing of the lockers for your contract with Stafford County Schools. As you know, we had a 5% price increase effective 10/1/03 and that amount should be added to your current selling price. Also, there has been a nationwide steel surcharge that has hit all manufacturers of steel products. This surcharge appears to be volatile with no indication of how long or how high these surcharges will be in effect. As of this date, we have only implemented surcharges on all new non-locker products. We have added a \$0.03 per pound surcharge to these storage products. Please read the attached letter. At this time we will not impose a surcharge on locker products through the end of March 2004. We can not predict now whether or not a surcharge will be added to lockers after March 2004.

Republic Storage Systems Company will hold the pricing on locker products for this contract through the calendar year 2004. However, we may be forced to add a steel surcharge if our suppliers continue to add surcharges to our steel purchases. If we impose a steel surcharge we will notify you at the end of each month for the surcharge the following month. This surcharge will be a cost only surcharge. As you can see from the attached letter, we are doing everything possible to stabilize the current price fluctuations from our steel suppliers. If you have any questions, I can be reached at (301) 829-6175.

Sincerely,



Bob Schmitz
District Manager
Republic Storage Systems Company
P.O. Box 854
Mount Airy, MD. 21771

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www.republicstorage.com

received
02/18/04

No. 2004-2

Bulletin

January 29, 2004

To: Republic Distributors and Personnel

From: Greg Sluss

RE: Pricing Information

Effective February 9, 2004, Republic will begin adding a \$0.03 per pound steel surcharge on all new non-locker, storage products orders.

All of our steel suppliers began imposing an additional "surcharge" on steel delivered in January 2004. The steel industry is citing rising energy costs, higher scrap prices, limited coke availability and higher transportation costs as the primary drivers behind these pricing decisions. Steel pricing has become extremely volatile, creating an unpredictable and unmanageable cost situation for steel-consuming manufacturers like Republic. We are no longer able to absorb these sudden cost spikes on product lines where steel material is the dominant component of cost. As a result, we have been forced to immediately implement steel surcharges on all of our non-locker products.

The surcharge for February 2004 is \$60 per ton, or \$0.03 per pound. This is a pass-through cost with no markup. This surcharge may change every month. We can't predict whether these surcharges will increase or decrease, or when they might be removed altogether. Before the beginning of each new month, we will notify our customers of the steel surcharge for the upcoming month. The actual dollar amount of the surcharge will be based on the total weight of your order and will be determined at the time your order is placed with Republic.

We regret that we have been forced to take these actions on such short notice. We will continue to negotiate with our various suppliers to get the best possible pricing on our steel purchases. We will discontinue steel surcharges as soon as the steel industry discontinues this practice, or when overall steel pricing stabilizes to the point where we can manage it through standard pricing policies.

Greg Sluss
Vice President, Sales & Marketing